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of the State of California  
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Supervising Deputy Attorney General

**Attorneys for Complainant**

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BEFORE THE  
BOARD OF ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

SAM LANCE WHITE  
5055 Oakwood Avenue  
LaCanada, CA 91011

Certified Public Accountant  
Certificate Number 40967

Respondent.

No. AC-99-11

**STIPULATION AND WAIVER OF  
RIGHTS, DECISION AND  
ORDER**

**IT IS HEREBY STIPULATED** by the parties to the above matter as follows:

1. Sam Lance White, and the Board of Accountancy ("Board") through its counsel Supervising Deputy Attorney General Arthur Taggart, do hereby enter into the following stipulation:

2. On February 4, 1999, complainant Carol Sigmann made and filed Accusation number AC-99-11 solely in her official capacity as the Executive Officer of the California Board of Accountancy (hereinafter "Board").

3. On August 3, 1984, the Board issued Certified Public Accountant certificate number 40967 to Sam Lance White (hereinafter "respondent"). The certificate is subject to renewal every two years. The renewal period for this certificate is August 1 through July 31 of odd numbered years. The Board of Accountancy's licensing records were transferred to the Department of Consumer Affairs' centralized computer system in March 1989. The certificate

1 was in an expired status in March 1989. The certificate was expired and was not valid during the  
2 period of April 1, 1989, through June 19, 1990, for the following reasons:

- 3 (a) The renewal fee, required by Business and Professions Code 5070.6 was  
4 not paid; and
- 5 (b) Declaration of compliance with continuing education requirements was  
6 not submitted.

7 4. On June 20, 1990, the certificate was renewed through July 31, 1991, upon  
8 receipt of the renewal fee and declaration of compliance with the continuing education  
9 regulations as set forth in paragraph 2 (a) and (b) above. On August 1, 1997, the certificate  
10 expired and is not currently in force and effect.

11 5. Respondent acknowledges receipt of the Accusation, the Statement to  
12 Respondent, two (2) copies of the Notice of Defense form, a copy of Government Code sections  
13 11507.5, 11507.6 and 11507.7, and a Request for Discovery.

14 6. Respondent has read and understands the charges contained in the Accusation,  
15 including the penalties requested therein, and further understands the legal effect of entering into  
16 this Stipulation. Respondent has the right to consult with counsel concerning the charges and  
17 allegations contained in the Accusation and the effect of this Stipulation.

18 7. Respondent is not represented by counsel.

19 8. This Stipulation is made for the purpose of settling the subject Accusation. It  
20 is only for the purpose of this proceeding and any subsequent proceeding between the Board and  
21 respondent, or any action taken by or before any governmental body responsible for the  
22 licensing, certification, registration, or other form of regulation and/or oversight of certified  
23 public accountants.

### 24 **WAIVER OF RIGHTS**

25 9. Respondent understands the nature of the charges alleged in the Accusation  
26 and that, if proven at hearing the charges would constitute cause for imposing discipline against  
27 Certified Public Accountant certificate number 40967, issued to respondent.

28 10. Respondent understands that by entering into this Stipulation, he agrees to be  
bound by the terms of this Stipulation, and of the Decision and Order, and freely and voluntarily

1 waives any rights he may have in this proceeding to a hearing on the charges and allegations  
2 contained in the Accusation, to reconsideration, to appeal, to judicial review, and to all other  
3 rights which he may have under the California Administrative Procedure Act and the laws and  
4 regulations of State of California.

### 5 **BASIS FOR DISCIPLINE**

6 11. Respondent admits the truth of each and every factual allegation contained in  
7 Accusation No. AC-99-11 and further admits that cause exists thereby to impose discipline on  
8 Certified Public Accountant certificate number 40967 for violation of Business and Professions  
9 Code section 5100(a) on the grounds of unprofessional conduct and Business and Professions  
10 Code section 490, in that on July 16, 1998, in the United States District Court, Southern District  
11 of New York, Case No. 1:96CR00869-001, entitled "United States of America v. Samuel Lance  
12 White," judgment was imposed on respondent, after he was convicted by a jury for violating  
13 numerous felony counts of the provisions of Title 18, United States Code, section 371  
14 (conspiracy to commit offenses against the USA (Count 1)); Title 15, United States Code,  
15 section 77q(a) (securities fraud (Count 2)); Title 18, United States Code, section 1344 (bank  
16 fraud (Counts 3-7)); and Title 18, United States Code, section 1014 (false statements on loan  
17 application (Counts 8-22)).

18 On or about July 24, 1998, respondent appealed his judgment of conviction and  
19 sentencing to the United States Court of Appeals Second Circuit of New York, in Case  
20 No. 98-1424. On or about March 15, 1999, the United States Court of Appeals Second Circuit of  
21 New York vacated Count 1, which was for a violation of Title 18, United States Code, section  
22 371 (conspiracy to commit offenses against the USA), as charged in the Superseding Indictment,  
23 affirmed the remaining counts and remanded the case back to the United States District Court,  
24 Southern District of New York for re-sentencing.

25 The circumstances surrounding the conviction are substantially related to the  
26 qualifications, functions and duties of a certified public accountant or public accountant in that it  
27 evidences a present or potential unfitness to perform the functions authorized by his certified  
28 public accountant certificate in a manner consistent with the public health, safety or welfare in

1 that beginning on or about February 13, 1992 through 1995, while employed as a certified public  
2 accountant at Deloitte and Touche, LPP, an accountancy partnership in Los Angeles, California,  
3 respondent conspired with Christopher Kent Bagdasarian, an investor, to defraud potential  
4 investors and commercial underwriting and banking institutions by verifying, preparing and/or  
5 presenting false or fraudulent financial statements, net worth statements, and attestation letters  
6 concerning Mr. Bagdasarian's ownership of securities, investment performance, and net worth, in  
7 connection with the initial public offering of Mr. Bagdasarian's company, Normandy America,  
8 Inc. ("Normandy IPO"). Through these false misrepresentations, Mr. Bagdasarian was able to  
9 obtain approximately \$24.55 million dollars in loans, credits, assets, securities, and other  
10 property owned by and under the control of Chemical Bank, a financial institution headquartered  
11 in New York. On or about February 9, 1996, May 1, 1996 and May 2, 1996, respondent  
12 appeared before the United States Securities and Exchange Commission in Washington, D.C.,  
13 and while under oath, he provided false testimony concerning his involvement in the 1992 and  
14 1994 Chemical Bank loans and the Normandy IPO. Respondent was sentenced to the Nellis  
15 Federal Prison Camp in Las Vegas, Nevada;<sup>1</sup> ordered to pay an assessment fine in the amount of  
16 \$1,150; and ordered to pay restitution to Deloitte and Touche in the amount of \$4,919,687 and  
17 Chase Bank in the amount of \$1,556,211.

#### 18 CONTINGENCY

19 12. The parties agree that the Stipulation recited herein shall be null and void and  
20 not binding upon the parties unless and until it is accepted by the Board, whereupon, the Board  
21 shall notify respondent of the effective date of this agreement.

22 13. It is understood by respondent that, in deciding whether or not to adopt this  
23 Stipulation, the Board may receive oral and written communications from its staff and the  
24 Attorney General's office. Communications pursuant to this paragraph shall not disqualify the  
25 Board or other persons from future participation in this or any other matter affecting the  
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27 <sup>1</sup>Due to the fact that the matter was remanded for re-sentencing, the new term of respondent's  
28 imprisonment is not stated in this stipulation. However, respondent's original term of imprisonment  
was for a total of 57 months.

1 respondent. In the event this settlement is not adopted by the Board, this Stipulation, with the  
2 exception of this paragraph, is withdrawn and shall be of no evidentiary value and shall not be  
3 relied upon or introduced in any disciplinary action by either party hereto. Respondent agrees  
4 that should the Board reject this Stipulation and if this case proceeds to hearing, respondent will  
5 assert no claim that the Board was prejudiced by its review and discussion of this Stipulation or  
6 of any records related hereto.

7 14. Based on the foregoing admissions and stipulated matters, the parties agree  
8 that the Board shall, without further notice or formal proceeding, issue and enter the following  
9 order:

#### 10 **DISCIPLINARY ORDER**

11 **IT IS HEREBY ORDERED AND AGREED** as follows:

12 1. Certified Public Accountant certificate number 40967, issued to Sam Lance  
13 White, is hereby revoked.

14 2. Respondent shall pay the Board the amount of \$4,001.83 for costs of  
15 investigation and enforcement of this matter prior to filing a petition for reinstatement with the  
16 Board.

17 3. Respondent may petition for reinstatement of the revoked certificate, pursuant  
18 to Government Code section 11522, after a period of one (1) year from the effective date of this  
19 decision and respondent shall submit proof of payment to the Board of the costs required by  
20 paragraph 2 above before the Board will process or consider any application. The Board is under  
21 no obligation to grant reinstatement at the time of any such petition for reinstatement. In the  
22 event such petition for reinstatement is denied, respondent shall be entitled to a hearing if so  
23 requested and respondent may submit evidence of rehabilitation or mitigation. The filing of  
24 bankruptcy, by the respondent, shall not relieve the respondent of her responsibility to reimburse  
25 the Board for his investigative and prosecution costs.

#### 26 **ACCEPTANCE**

27 I have read this Stipulation and Disciplinary Order in its entirety. I understand  
28 that by entering into this Stipulation, I will no longer have the right to practice as a certified

1 public accountant in the State of California. I further understand that nothing in this Stipulation  
2 shall deprive me of my right to petition the Board for reinstatement of my certified public  
3 accountant's certificate after the expiration of a period of at least one (1) year from the effective  
4 date of the Decision issued by the Board herein. However, I also understand that the discretion  
5 to any such petition lies solely with the Board and that the Board is under no obligation to  
6 reinstate my certificate pursuant to any such petition and I understand that I must show evidence  
7 of rehabilitation in a petition for reinstatement.

8 In entering into this Stipulation, I understand that I knowingly and intelligently  
9 waive my rights to a hearing on the charges contained in the Accusation, to reconsideration, to  
10 appeal, to judicial review, and to all other rights which I may have under the California  
11 Administrative Procedure Act and the laws and regulations of the State of California.

12 I understand that this Stipulation may not be accepted by the Board, in which case  
13 it is of no effect.

14 I agree to be bound by the terms of this document and understand that once I sign  
15 this Stipulation, I shall not be permitted to withdraw from it unless it is rejected by the Board.

16 I agree that a signed facsimile (FAX) of this document shall be as binding as an  
17 original signed copy.

18 DATED: 7/2/99

  
SAM LANCE WHITE, Respondent

21 **ENDORSEMENT**

22 The foregoing Stipulation and Disciplinary Order is hereby respectfully submitted  
23 for consideration of the Board of Accountancy, Department of Consumer Affairs, State of  
24 California.

25 DATED: 7/12/99

BILL LOCKYER, Attorney General  
of the State of California

  
ARTHUR TAGGART  
Supervising Deputy Attorney General

Attorneys for Complainant

**DECISION AND ORDER**

The foregoing Stipulation is accepted and adopted and shall become the Decision of the Board of Accountancy, Department of Consumer Affairs, State of California in this matter.

This decision shall be effective on OCTOBER 21, 1999.

**IT IS SO ORDERED** this 22 day of SEPTEMBER, 1999.

By H. S. [Signature]

BOARD OF ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA

BILL LOCKYER, Attorney General  
of the State of California  
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BEFORE THE  
BOARD OF ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA

In the Matter of the Accusation Against:	)	No. AC-99-11
	)	
SAM LANCE WHITE	)	<b><u>ACCUSATION</u></b>
5055 Oakwood Avenue	)	
LaCanada, CA 91011	)	
	)	
Certified Public Accountant	)	
License Number 40967	)	
	)	
Respondent.	)	

Carol Sigmann, for causes for discipline, alleges:

1. Complainant Carol Sigmann is the Executive Officer of the California Board of Accountancy (hereinafter "Board") and makes and files this accusation solely in her official capacity.

**LICENSE INFORMATION**

2. On August 3, 1984, the Board issued Certified Public Accountant certificate Number 40967 to Sam Lance White (hereinafter "respondent"). The certificate is subject to renewal every two years. The renewal period for this certificate is August 1 through July 31 of odd numbered years. The Board of Accountancy's licensing records were transferred to the Department of Consumer Affairs' centralized computer system in March 1989. The certificate was in an expired status in March 1989. The certificate was expired and was not valid during the period of April 1, 1989, through June 19, 1990, for the following reasons:

1           (a)     The renewal fee, required by Business and Professions Code 5070.6 was  
2                     not paid; and

3           (b)     Declaration of compliance with continuing education requirements was  
4                     not submitted.

5           3.     On June 20, 1990, the certificate was renewed through July 31, 1991, upon  
6                     receipt of the renewal fee and declaration of compliance with the continuing education  
7                     regulations as set forth in paragraph 2 (a) and (b) above. On August 1, 1997, the certificate  
8                     expired and is not currently in force and effect.

#### 9                                     STATUTES AND REGULATIONS

10           4.     Business and Professions Code (hereinafter "Code") section 5100 provides, in  
11                     part, that the Board may revoke, suspend or refuse to renew any permit or certificate issued by  
12                     the Board for unprofessional conduct which includes, but is not limited to, one or any  
13                     combination of the following causes:

14                     “(a) Conviction of any crime substantially related to the qualifications, functions  
15                     and duties of a certified public accountant or a public accountant.”

16           5.     Code section 490 provides, in pertinent part, that the Board may suspend or  
17                     revoke a license when it finds that the licensee has been convicted of a crime substantially related  
18                     to the qualifications, functions or duties of a certified public accountant.

19           6.     Code section 118(b) provides, in pertinent part, that the expiration of a license  
20                     shall not deprive the Board of jurisdiction to proceed with a disciplinary action during the period  
21                     within which the license may be renewed, restored, reissued or reinstated. Under Business and  
22                     Professions Code section 5070.6, the Board may renew an expired license at any time within five  
23                     years after its expiration.

24           7.     Title 16, California Code of Regulations, section 99, provides, in pertinent  
25                     part, that a crime or act shall be considered to be substantially related to the qualifications,  
26                     functions or duties of a certified public accountant or public accountant if to a substantial degree  
27                     it evidences present or potential unfitness of a certified public accountant or public accountant to  
28                     perform the functions authorized by his certificate or permit in a manner consistent with the

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1 public health, safety, or welfare. Such crimes or acts shall include but not be limited to those  
2 involving the following:

3 “(a) Fiscal dishonesty or breach of fiduciary responsibility of any kind.”

4 “(c) Dishonesty, fraud, or gross negligence in the practice of public accountancy  
5 or in the performance of the bookkeeping operations described in Section 5052 of the Code.”

6 8. Code section 5107 provides, in pertinent part, that the Executive Officer may  
7 request the administrative law judge to direct any holder of a permit or certificate found guilty of  
8 unprofessional conduct involving a felony conviction in violation of subdivision (a) of section  
9 5100 to pay all reasonable costs of the investigation and enforcement of the case, including, but  
10 not limited to, attorneys fees.

#### 11 CAUSES FOR DISCIPLINE

12 9. Respondent has subjected his license to discipline under Code section 5100(a)  
13 on the grounds of unprofessional conduct in that on July 16, 1998, in the United States District  
14 Court, Southern District of New York, Case No. 1:96CR00869-001, entitled “United States of  
15 America v. Samuel Lance White,” judgment was imposed on respondent, after he was convicted  
16 by a jury for violating numerous felony counts of the provisions of Title 18, United States Code,  
17 section 371 (conspiracy to commit offenses against the USA (Count 1)); Title 15, United States  
18 Code, section 77q(a) (securities fraud (Count 2)); Title 18, United States Code, section 1344  
19 (bank fraud (Counts 3-7)); and Title 18, United States Code, section 1014 (false statements on  
20 loan application (Counts 8-22)).

21 The circumstances surrounding the conviction are substantially related to the  
22 qualifications, functions and duties of a certified public accountant or public accountant in that it  
23 evidences a present or potential unfitness to perform the functions authorized by his certified  
24 public accountant license in a manner consistent with the public health, safety or welfare in that  
25 beginning on or about February 13, 1992 through 1995, while employed as a certified public  
26 accountant at Deloitte and Touche, LPP, an accountancy partnership in Los Angeles, California,  
27 respondent conspired with Christopher Kent Bagdasarian, an investor, to defraud potential  
28 investors and commercial underwriting and banking institutions by verifying, preparing and/or

1 presenting false or fraudulent financial statements, net worth statements, and attestation letters  
2 concerning Mr. Bagdasarian's ownership of securities, investment performance, and net worth, in  
3 connection with the initial public offering of Mr. Bagdasarian's company, Normandy America,  
4 Inc. ("Normandy IPO"). Through these false misrepresentations, Mr. Bagdasarian was able to  
5 obtain approximately \$24.55 million dollars in loans, credits, assets, securities, and other  
6 property owned by and under the control of Chemical Bank, a financial institution headquartered  
7 in New York. On or about February 9, 1996, May 1, 1996 and May 2, 1996, respondent  
8 appeared before the United States Securities and Exchange Commission in Washington, D.C.,  
9 and while under oath, he provided false testimony concerning his involvement in the 1992 and  
10 1994 Chemical Bank loans and the Normandy IPO. Respondent was sentenced to serve 57  
11 months in the Nellis Federal Prison Camp in Las Vegas, Nevada; ordered to serve five years'  
12 probation upon his release from prison; ordered to pay an assessment fine in the amount of  
13 \$1,150; and ordered to pay restitution to Deloitte and Touche in the amount of \$4,919,687 and  
14 Chase Bank in the amount of \$1,556,211.

15           10. Respondent has subjected his license to discipline under Code section 490 in  
16 that he was convicted of a crime substantially related to the qualifications, functions or duties of  
17 a certified public accountant or public accountant, as set forth in paragraph 9.

18                                   **PRAYER**

19           **WHEREFORE**, complainant requests that a hearing be held and that following  
20 said hearing, the Board issue a decision:

21           1. Revoking, suspending, or otherwise imposing discipline upon Certified Public  
22 Accountant certificate Number 40967, issued to Sam Lance White.

23           2. Ordering Sam Lance White to pay to the Board all reasonable costs of the  
24 investigation and enforcement of the case, including, but not limited to, attorneys fees pursuant  
25 to Business and Professions Code section 5107; and


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1                    3. Taking such other and further action as the Board deems appropriate to protect  
2 the public health, safety and welfare.

3                    DATED: February 4, 1999  
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6                      
7                    CAROL SIGMANN  
8                    Executive Officer  
9                    Board of Accountancy  
10                    Department of Consumer Affairs  
11                    State of California  
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27                    Complainant